

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 01-0334P

**Individual Income Tax
Calendar Year 1999**

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer, in a letter dated November 12, 2001, requested an abatement of the penalty and a refund in the amount of \$409.94 for penalty and interest paid upon receipt of a tax due notice.

Taxpayer filed its return late with a tax balance due of \$2,784 or one hundred percent (100%) and remitted the tax and underpayment penalty with the return. No updated interest was calculated or paid. Taxpayer requests a refund of the penalty and interest because the taxpayer had timely filed an extension. The taxpayer enclosed a copy of the extension. The taxpayer, however, did not remit an extension payment.

I. Tax Administration – Penalty

DISCUSSION

Taxpayer merely states that it had an extension on file and requests a refund of the penalty and interest remitted upon receiving the Department's notice of late payment. Taxpayer states it did not have previous Indiana income on which to base estimates.

Taxpayer remitted no tax by the due date of the return. An extension to file at a later date is not an extension to make a late payment. According to IC 6-8.1-6-1, a Taxpayer must remit at least ninety percent (90%) of the current year's tax by the due date. Any tax that remains unpaid

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during an extension period accrues interest.

Taxpayer has not provided reasonable cause to allow the Department to waive the penalty.

FINDING

Taxpayer's protest is denied.

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